

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS  
For the year ended June 30, 2011

And

INDEPENDENT AUDITORS' REPORTS

**Long CPA, PA**  
**A Professional Association**  
**Certified Public Accountants**

# UNIFIED SCHOOL DISTRICT NO. 337

Mayetta, Kansas

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UNIFIED SCHOOL DISTRICT NO. 337

Mayetta, Kansas

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Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of Unified School District No. 337, Mayetta, Kansas, as of and for the year ended June 30 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

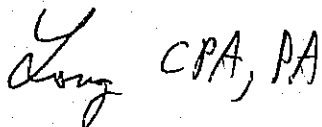
As described more fully in Note 1, Unified School District No. 337 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 337 as of June 30, 2011, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 337, as of June 30, 2011, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 22, 2011, on our consideration of Unified School District No. 337's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 337's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Unified School District No. 337. The schedule of expenditures of federal awards and schedule of findings and questioned costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Long CPA, PA". The signature is stylized, with the first name "Long" written in a cursive-like script, followed by "CPA, PA" in a more formal, blocky font.

Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 22, 2011

USD #337 MAYETA, KANSAS  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
General Funds							
General	\$ (437,146)	\$ 0	\$ 6,809,178	\$ 6,643,609	\$ (271,577)	\$	\$ (271,577)
Supplemental General	(389,244)	0	2,449,434	2,220,000	(59,810)		(59,810)
Special Revenue Funds							
Vocational Education	41,649	0	228,104	228,807	40,946		40,946
Special Education	324,368	0	1,226,730	1,250,821	300,277		300,277
Driver Education	22,475	0	11,726	11,301	22,900		22,900
Food Service	63,053	0	489,082	488,274	63,861		63,861
Capital Outlay	1,091,929	0	1,058,579	1,362,615	787,893		787,893
Gifts and Grants	38,017	0	10,420	31,617	16,820		16,820
Parent Education	48,798	0	61,456	65,018	45,236		45,236
Professional Development	46,470	0	20,000	20,971	45,499		45,499
Summer School	0	0	3,949	3,949	0		0
Extraordinary School Program	119,620	0	52,599	56,673	115,546		115,546
KPERS Special Contribution	0	0	381,944	381,944	0		0
At Risk (K-12)	58,254	0	581,000	583,143	56,111		56,111
District Activity Funds	86,175	0	205,906	208,188	83,893		83,893
Textbook Rental Fund	209,938	0	43,391	31,686	221,643		221,643
Contingency Reserve Fund	325,000	0	0	0	325,000		325,000
Title I	0	0	154,629	154,629	0		0
Title IV	0	0	0	0	0		0
Title VII	0	0	61,615	61,615	0		0
Title IIA - Teacher Quality	0	0	46,077	46,077	0		0
Hodison Memorial	2,819	0	16	0	2,835		2,835
Grow Your Own teacher	1,461	0	6	0	1,467		1,467
Parent Info Resource Center	0	0	61,615	61,615	0		0
Title IID	0	0	409	409	0		0
Impact Aid	277,434	0	167,095	167,095	277,434		277,434
JCCTCC Grant	0	0	57,781	57,781	0		0
<b>Total Reporting Entity</b>	<b>\$ 2,031,070</b>	<b>\$ 0</b>	<b>\$ 14,182,741</b>	<b>\$ 14,137,837</b>	<b>\$ 2,075,974</b>	<b>\$ 0</b>	<b>\$ 2,075,974</b>
<b>Composition of Cash</b>							
Checking Accounts							\$ 357,416
Savings Accounts							1,219,258
Certificates of Deposit							535,286
Total Cash							2,111,960
Agency Funds per Statement 4							35,986
<b>Total Reporting Entity</b>							<b>\$ 2,075,974</b>

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KANSAS  
Summary of Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

Funds		Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
<u>Governmental Type Funds</u>							
General Funds							
General	\$	6,465,268	\$ (140,856)	\$ 37,485	\$ 6,643,609	\$ 6,643,609	\$ 0
Supplemental General		2,220,000	0	0	2,220,000	2,220,000	0
Special Revenue Funds							
Vocational Education		253,295	0	0	253,295	228,807	24,488
Special Education		1,534,950	0	0	1,534,950	1,250,821	284,129
Driver Training		19,500	0	0	19,500	11,301	8,199
Food Service		554,600	0	0	554,600	488,274	66,326
Capital Outlay		1,462,338	0	0	1,462,338	1,362,615	99,723
Gifts and Grants		40,000	0	0	40,000	31,617	8,383
Parent Education		71,056	0	0	71,056	65,018	6,038
Professional Development		42,200	0	0	42,200	20,971	21,229
Summer School		20,000	0	0	20,000	3,949	16,051
Extraordinary School Program		108,000	0	0	108,000	56,673	51,327
KPERS Special Contribution		489,730	0	0	489,730	381,944	107,786
At-Risk Fund		668,253	0	0	668,253	583,143	85,110

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 418,559	\$ 423,376	\$ (4,817)
Delinquent tax	5,577	6,671	(1,094)
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	648,239	531,889	116,350
State aid/grants	5,549,306	6,032,773	(483,467)
Charges for services			0
Interest income			0
Miscellaneous revenues	46,950		46,950
Operating transfers			0
<b>Total Cash Receipts</b>	<u>6,668,631</u>	<u>6,994,709</u>	<u>(326,078)</u>
<b>EXPENDITURES</b>			
Instruction	2,762,821	3,126,985	364,164
Student support services	171,324	193,550	22,226
Instruction support staff	213,629	240,175	26,546
General administration	250,896	272,700	21,804
School administration	513,785	559,900	46,115
Operations and maintenance	518,554	505,465	(13,089)
Student transportation services			0
Central support services			0
Other support services	60,762	60,000	(762)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	2,314,998	1,801,044	(513,954)
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits		46,950	46,950
<b>Total Expenditures</b>	<u>6,806,769</u>	<u>\$ 6,806,769</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(138,138)		
Unencumbered Cash, Beginning	(299,008)		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>(437,146)</u>		

See Note 9 (Cash Basis Exception)

See Note 11 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.



USD #337 MAYETTA, KS  
SUPPLEMENTAL GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 606,186	\$ 653,323	(47,137)
Delinquent tax	7,419	8,395	(976)
Motor vehicle tax	91,333	93,389	(2,056)
RV tax	2,149	2,009	140
Mineral production tax			0
Federal grants			0
State aid/grants	1,498,536	1,479,647	18,889
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
<b>Total Cash Receipts</b>	<u>2,205,623</u>	<u>2,236,763</u>	<u>(31,140)</u>
<b>EXPENDITURES</b>			
Instruction	519,471	239,562	(279,909)
Student support services	26,319	27,550	1,231
Instruction support staff	45,429	55,791	10,362
General administration	76,448	91,460	15,012
School administration	132,156	109,980	(22,176)
Operations and maintenance	478,532	401,050	(77,482)
Student transportation services	395,217	446,900	51,683
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	3,500		(3,500)
Debt service			0
Operating transfers	545,221	850,000	304,779
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>2,222,293</u>	<u>\$ 2,222,293</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(16,670)		
Unencumbered Cash, Beginning	(272,574)		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ (289,244)</u>		

See Note 9 (Cash Basis Exception)

See Note 11 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
VOCATIONAL EDUCATION FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		25,000	(25,000)
Operating transfers	<u>228,104</u>	<u>230,000</u>	<u>(1,896)</u>
Total Cash Receipts	<u>228,104</u>	<u>255,000</u>	<u>(26,896)</u>
<b>EXPENDITURES</b>			
Instruction	228,807	253,295	24,488
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>228,807</u>	<u>\$ 253,295</u>	<u>\$ 24,488</u>
Receipts Over (Under) Expenditures	(703)		
Unencumbered Cash, Beginning	41,649		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 40,946</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
SPECIAL EDUCATION FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	65,891	69,261	(3,370)
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		80,000	(80,000)
Operating transfers	<u>1,160,839</u>	<u>1,120,000</u>	<u>40,839</u>
Total Cash Receipts	<u>1,226,730</u>	<u>1,269,261</u>	<u>(42,531)</u>
<b>EXPENDITURES</b>			
Instruction	1,123,865	1,381,250	257,385
Student support services	8,503	7,500	(1,003)
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services	118,453	146,200	27,747
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,250,821</u>	<u>\$ 1,534,950</u>	<u>\$ 284,129</u>
Receipts Over (Under) Expenditures	(24,091)		
Unencumbered Cash, Beginning	324,368		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 300,277</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 DRIVER TRAINING FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	1,924	2,800	(876)
Charges for services	4,802		4,802
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>5,000</u>		<u>5,000</u>
Total Cash Receipts	<u>11,726</u>	<u>2,800</u>	<u>8,926</u>
<b>EXPENDITURES</b>			
Instruction	11,245	18,000	6,755
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	56	1,500	1,444
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>11,301</u>	<u>\$ 19,500</u>	<u>\$ 8,199</u>
Receipts Over (Under) Expenditures	425		
Unencumbered Cash, Beginning	22,475		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 22,900</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
FOOD SERVICE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	262,593	255,133	7,460
State aid/grants	5,548	4,397	1,151
Charges for services	210,941	269,184	(58,243)
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Cash Receipts	<u>489,082</u>	<u>538,714</u>	<u>(49,632)</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	290	10,000	9,710
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	487,984	544,600	56,616
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>488,274</u>	<u>\$ 554,600</u>	<u>\$ 66,326</u>
Receipts Over (Under) Expenditures	808		
Unencumbered Cash, Beginning	63,053		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 63,861</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
CAPITAL OUTLAY FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax	413		413
Motor vehicle tax	7,065	5,830	1,235
RV tax	173	162	11
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income	21,438	25,000	(3,562)
Miscellaneous revenues	277,841	150,000	127,841
Operating transfers	<u>751,649</u>	<u>691,648</u>	<u>60,001</u>
Total Cash Receipts	<u>1,058,579</u>	<u>872,640</u>	<u>185,939</u>
<b>EXPENDITURES</b>			
Instruction	43,945	175,000	131,055
Student support services			0
Instruction support staff			0
General administration		5,000	5,000
School administration			0
Operations and maintenance	6,907	15,000	8,093
Student transportation services		95,000	95,000
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	1,311,763	1,172,338	(139,425)
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,362,615</u>	<u>\$ 1,462,338</u>	<u>\$ 99,723</u>
Receipts Over (Under) Expenditures	(304,036)		
Unencumbered Cash, Beginning	1,091,929		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 787,893</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
GIFTS AND GRANTS FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	10,420	20,000	(9,580)
Operating transfers			0
	<u>10,420</u>	<u>20,000</u>	<u>(9,580)</u>
<b>Total Cash Receipts</b>	<u>10,420</u>	<u>20,000</u>	<u>(9,580)</u>
<b>EXPENDITURES</b>			
Instruction	31,047	40,000	8,953
Student support services			0
Instruction support staff	570		(570)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>31,617</u>	<u>\$ 40,000</u>	<u>\$ 8,383</u>
<b>Total Expenditures</b>	<u>31,617</u>	<u>\$ 40,000</u>	<u>\$ 8,383</u>
Receipts Over (Under) Expenditures	(21,197)		
Unencumbered Cash, Beginning	38,017		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 16,820</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 PARENT EDUCATION FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	41,456	41,851	(395)
Charges for services			0
Interest income			0
Miscellaneous revenues		10,000	(10,000)
Operating transfers	20,000	5,000	15,000
Total Cash Receipts	61,456	56,851	4,605
<b>EXPENDITURES</b>			
Instruction			0
Student support services	65,018	71,056	6,038
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	65,018	\$ 71,056	\$ 6,038
Receipts Over (Under) Expenditures	(3,562)		
Unencumbered Cash, Beginning	48,798		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	\$ 45,236		

The notes to the financial statements are an integral part of this statement.



USD #337 MAYETTA, KS  
PROFESSIONAL DEVELOPMENT FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		20,000	(20,000)
Operating transfers	<u>20,000</u>	<u>5,000</u>	<u>15,000</u>
Total Cash Receipts	<u>20,000</u>	<u>25,000</u>	<u>(5,000)</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services			0
Instruction support staff	20,971	42,200	21,229
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>20,971</u>	<u>\$ 42,200</u>	<u>\$ 21,229</u>
Receipts Over (Under) Expenditures	(971)		
Unencumbered Cash, Beginning	46,470		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 45,499</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 SUMMER SCHOOL FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		20,000	(20,000)
Operating transfers	<u>3,949</u>		<u>3,949</u>
Total Cash Receipts	<u>3,949</u>	<u>20,000</u>	<u>(16,051)</u>
<b>EXPENDITURES</b>			
Instruction	3,949	20,000	16,051
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>3,949</u>	<u>\$ 20,000</u>	<u>\$ 16,051</u>
Receipts Over (Under) Expenditures.	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 EXTRAORDINARY SCHOOL PROGRAM FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	52,599		52,599
Charges for services			0
Interest income			0
Miscellaneous revenues		80,000	(80,000)
Operating transfers			0
	<u>52,599</u>	<u>80,000</u>	<u>(27,401)</u>
<b>Total Cash Receipts</b>			
	<u>52,599</u>	<u>80,000</u>	<u>(27,401)</u>
<b>EXPENDITURES</b>			
Instruction	31,832	69,800	37,968
Student support services	20	36,000	35,980
Instruction support staff			0
General administration			0
School administration	167		(167)
Operations and maintenance	21,664		(21,664)
Student transportation services			0
Community support services			0
Other support services	2,990	2,200	(790)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>56,673</u>	<u>\$ 108,000</u>	<u>\$ 51,327</u>
<b>Total Expenditures</b>			
	<u>56,673</u>	<u>\$ 108,000</u>	<u>\$ 51,327</u>
Receipts Over (Under) Expenditures	(4,074)		
Unencumbered Cash, Beginning	119,620		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 115,546</u>		

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	381,944	489,730	(107,786)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>381,944</u>	<u>489,730</u>	<u>(107,786)</u>
Total Cash Receipts	<u>381,944</u>	<u>489,730</u>	<u>(107,786)</u>
<b>EXPENDITURES</b>			
Instruction	244,444	313,427	68,983
Student support services	15,278	19,589	4,311
Instruction support staff	9,548	12,243	2,695
General administration	13,254	16,994	3,740
School administration	32,083	41,137	9,054
Operations and maintenance	29,027	37,219	8,192
Student transportation services	22,229	28,502	6,273
Central support services			0
Other support services	3,437	4,407	970
Food service operations	12,644	16,212	3,568
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>381,944</u>	<u>\$ 489,730</u>	<u>\$ 107,786</u>
Total Expenditures	<u>381,944</u>	<u>\$ 489,730</u>	<u>\$ 107,786</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

The notes to financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 AT RISK FUND (K-12)  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		45,000	(45,000)
Operating transfers	<u>581,000</u>	<u>565,000</u>	<u>16,000</u>
Total Cash Receipts	<u>581,000</u>	<u>610,000</u>	<u>(29,000)</u>
<b>EXPENDITURES</b>			
Instruction	546,029	628,253	82,224
Student support services	37,114	40,000	2,886
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>583,143</u>	<u>\$ 668,253</u>	<u>\$ 85,110</u>
Receipts Over (Under) Expenditures	(2,143)		
Unencumbered Cash, Beginning	58,254		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 56,111</u>		

The notes to financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2011

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			154,629
State aid/grants			
Charges for services	33,391		
Interest income			
Miscellaneous revenues			
Operating transfers	<u>10,000</u>		
Total Cash Receipts	<u>43,391</u>	<u>0</u>	<u>154,629</u>
<b>EXPENDITURES</b>			
Instruction	31,686		154,629
Student support services			
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>31,686</u>	<u>0</u>	<u>154,629</u>
Receipts Over (Under) Expenditures	11,705	0	0
Unencumbered Cash, Beginning	209,938	325,000	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>221,643</u>	\$ <u>325,000</u>	\$ <u>0</u>

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
NONBUDGETED FUNDS  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2011

	<u>Title IV</u>	<u>Title VII</u>	<u>Title IIA</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants		61,615	46,077
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>0</u>	<u>61,615</u>	<u>46,077</u>
<b>EXPENDITURES</b>			
Instruction		55,071	43,773
Student support services			
Instruction support staff			2,304
General administration		6,544	
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>0</u>	<u>61,615</u>	<u>46,077</u>
Receipts Over (Under) Expenditures	0	0	0
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2011

	<u>Hodison Memorial</u>	<u>Grow Your Own Teacher</u>	<u>Title IID</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			409
State aid/grants			
Charges for services			
Interest income	16	6	
Miscellaneous revenues			
Operating transfers			
	<u>16</u>	<u>6</u>	<u>409</u>
<b>EXPENDITURES</b>			
Instruction			103
Student support services			
Instruction support staff			306
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>0</u>	<u>0</u>	<u>409</u>
<b>Receipts Over (Under) Expenditures</b>	16	6	0
Unencumbered Cash, Beginning	2,819	1,461	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Unencumbered Cash, Ending</b>	\$ <u>2,835</u>	\$ <u>1,467</u>	\$ <u>0</u>

The notes to the financial statements are an integral part of this statement.



USD #337 MAYETTA, KS  
NONBUDGETED FUNDS  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2011

	Impact Aid	JCCTCC Grant
<b>CASH RECEIPTS</b>		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Mineral production tax		
Federal grants	167,095	
State aid/grants		
Charges for services		57,781
Interest income		
Miscellaneous revenues		
Operating transfers		
Total Cash Receipts	<u>167,095</u>	<u>57,781</u>
<b>EXPENDITURES</b>		
Instruction	132,195	38,222
Student support services		
Instruction support staff		
General administration		19,559
School administration		
Operations and maintenance		
Student transportation services	29,900	
Central support services		
Other support services		
Food service operations		
Student activities	5,000	
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
Total Expenditures	<u>167,095</u>	<u>57,781</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	277,434	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>277,434</u>	\$ <u>0</u>

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
 AGENCY FUNDS  
 Statement of Cash Receipts and Cash Disbursements  
 For the Year Ended June 30, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
High School				
Class of 2014	\$ 0	\$ 5	\$ 0	\$ 5
Class of 2013	15	125	0	140
Class of 2012	15	2,754	2,659	110
Class of 2011	237	15	120	132
Class of 2010	79	0	79	0
Cheerleaders	1,652	12,309	11,067	2,894
Dance Team	36	3,031	2,625	442
Student Council	2,515	1,575	1,852	2,238
FCCLA	2,124	13,473	12,150	3,447
Kays	919	1,838	1,781	976
National Honor Society	492	569	633	428
SADD	1,293	39	156	1,176
Native American Club	26	1,250	1,276	0
Art Club	191	1,910	1,743	358
Band	2,352	17,818	10,752	9,418
Forensics	3,343	4,598	3,397	4,544
Scholar Bowl	159	280	368	71
Mexico Trip	215	0	0	215
Middle school				
Pep Club	2,341	1,404	930	2,815
Student Council	756	999	761	994
Indian Club	86	6	30	62
Scholarships	1,489	2,500	2,616	1,373
Fundraisers	0	3,838	1,583	2,255
Grants	0	603	0	603
Renaissance Fund	1,243	5,265	5,218	1,290
Total	\$ <u>21,578</u>	\$ <u>76,204</u>	\$ <u>61,796</u>	\$ <u>35,986</u>

The notes to the financial statements are an integral part of this statement.

USD #337 MAYETTA, KS  
DISTRICT ACTIVITY FUNDS  
Statement of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
Middle school							
Athletics	\$ 11,771	\$	\$ 21,366	\$ 17,350	\$ 15,787	\$	\$ 15,787
Concessions	9,829		16,040	15,324	10,545		10,545
High School							
Athletics	19,642		45,148	47,966	16,824		16,824
Miscellaneous	8,633		47,470	46,886	9,217		9,217
<b>Subtotal Gate Receipts</b>	<b>49,875</b>	<b>0</b>	<b>130,024</b>	<b>127,526</b>	<b>52,373</b>	<b>0</b>	<b>52,373</b>
<b>School Projects</b>							
Elementary School							
Faculty	807		10,013	10,318	502		502
Hospitality	750		2,321	1,684	1,387		1,387
Special Events	3,674		3,015	1,264	5,425		5,425
Playground	131		0	0	131		131
Middle School							
PE Equipment	205		0	0	205		205
Big Seven League	64		891	885	70		70
Faculty	7,594		3,175	7,257	3,512		3,512
School Improvement	325		0	0	325		325
School Machines	847		537	420	964		964
School	998		303	294	1,007		1,007
Yearbook	133		1,471	1,604	0		-
High School							
Booster/After Prom	294		15,360	15,429	225		225
Booster Club	4,026		5,525	7,170	2,381		2,381
Technology Classes	0		767	767	0		-
Family and Consumer	0		502	502	0		-
Chorus/Vocal music	816		1,169	960	1,025		1,025
Publications	4,064		12,976	14,101	2,939		2,939
Art Classes	0		3,866	3,866	0		-
Library	246		838	960	124		124
School Musical/Drama	2,999		1,354	1,701	2,652		2,652
Nutrition Advisory	584		0	50	534		534
Learning Lab	19		214	152	81		81
Faculty Lab	113		916	990	39		39
Gifts/Donations	1,465		0	500	965		965
After Prom Committee	6,146		10,669	9,788	7,027		7,027
<b>Subtotal School Projects</b>	<b>36,300</b>	<b>0</b>	<b>75,882</b>	<b>80,662</b>	<b>31,520</b>	<b>0</b>	<b>31,520</b>
<b>Total District Activity Funds</b>	<b>\$ 86,175</b>	<b>\$ 0</b>	<b>\$ 205,906</b>	<b>\$ 208,188</b>	<b>\$ 83,893</b>	<b>\$ 0</b>	<b>\$ 83,893</b>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies**

**Financial Reporting Entity**

USD No.337 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.337 (b) organizations for which USD No. 337 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.337 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

**Fund Descriptions**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2011:

**Governmental Funds**

**General Fund** – To account for the resources except those required to be accounted for in another fund.

**Special Revenue Funds** – To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to be expended for specified purposes.

**Fiduciary Funds**

**Agency Funds** – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

**Departure from Generally Accepted Accounting Principles (GAAP)**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Expenditures in the amount of \$ 37,485 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year 2011.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds and trust funds and the following special revenue funds:

Title IID Fund	Title IIA Fund
Title IV Fund	Title V Fund
Contingency Reserve Fund	District Activity Funds
Title I Fund	Title VII Fund
Textbook Rental Fund	JCCTCC Grant Fund
Grow Your Own Teacher Fund	Impact Aid Fund
Parent Info Resource Grant Fund	Hodison Memorial Fund
RVMS Afterschool Grant Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 – Deposits and Investments**

**Deposits**

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The district had no investments during 2011.

**Concentration of Credit Risk**

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.



UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 – Deposits and Investments (continued)**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the government's carrying amount of deposits was \$ 2,075,974 and the bank balance was \$ 3,595,485. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$ 250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE 3 – Defined Benefit Pension Plan**

**Plan Description** – USD No. 337 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – Defined Benefit Pension Plan (continued)**

**Funding Policy** – K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for the year ended June 30, 2011 was \$188,864,352 with a remaining balance due of \$64,969,692 which was received by July 12, 2011.

**NOTE 4 – Risk Management**

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

**NOTE 5 – Compliance with Kansas Statutes**

We noted no violations of Kansas Statutes during the period under examination.

**NOTE 6 – Compensated Absences**

Classified employees and administrators receive one day of sick leave for each full month of contracted employment. They may accumulate an amount of days equal to annual contracted full months multiplied by five. Once a classified employee or administrator has accumulated the maximum number of sick leave days, the employee will be paid at a rate of 56% of his hourly pay for the unused days in October of each contract year. Teachers have the option of receiving payment for unused sick leave (maximum of ten days) or transferring one or more days to a special sick leave account. The district has not computed or recorded the liability at year end.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Professional Dev. Fund	K.S.A. 72-6428	\$ 15,000
General Fund	Special Education Fund	K.S.A. 72-6428	944,042
General Fund	Capital Outlay Fund	K.S.A. 72-6428	751,649
General Fund	At Risk Fund	K.S.A. 72-6428	50,000
Supplemental General Fund	Textbook Fund	K.S.A. 72-6428	10,000
Supplemental General Fund	At Risk Fund	K.S.A. 72-6425	531,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-6425	10,000
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6425	5,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6425	228,104
Supplemental General Fund	Professional Dev. Fund	K.S.A. 72-6425	5,000
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6425	20,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	216,797
Supplemental General Fund	Summer School Fund	K.S.A. 72-6425	3,949

**NOTE 8 – Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 9 – Cash Basis Exception**

The State of Kansas statutes exempt all funds from a cash basis violation if the violation was as result of delayed payment by the state.

**NOTE 10 – Subsequent Events**

Subsequent events for management's review have been evaluated through July 22, 2011. The date in the prior sentence is the date the financial statements were available to be issued.

**NOTE 11 – Compliance with K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)**

K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes:

## Note 11

USD #337 MAYETTA, KS  
GENERAL FUND  
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
For the Year Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 418,559	\$ 423,376	\$ (4,817)
Delinquent tax	5,577	6,671	(1,094)
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	648,239	531,889	116,350
State aid/grants	5,687,444	6,032,773	(345,329)
Charges for services			0
Interest income			0
Miscellaneous revenues	46,950		46,950
Operating transfers			0
	<u>6,806,769</u>	<u>6,994,709</u>	<u>(187,940)</u>
<b>EXPENDITURES</b>			
Instruction	2,762,821	3,126,985	364,164
Student support services	171,324	193,550	22,226
Instruction support staff	213,629	240,175	26,546
General administration	250,896	272,700	21,804
School administration	513,785	559,900	46,115
Operations and maintenance	518,554	505,465	(13,089)
Student transportation services			0
Central support services			0
Other support services	60,762	60,000	(762)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	2,314,998	1,801,044	(513,954)
Adjustment to comply with legal max		0	0
Adjustment for qualifying budget credits		46,950	46,950
	<u>6,806,769</u>	<u>\$ 6,806,769</u>	<u>\$ 0</u>
<b>Total Expenditures</b>			
	<u>6,806,769</u>	<u>\$ 6,806,769</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 0</u>		

## Note 11

USD #337 MAYETTA, KS  
SUPPLEMENTAL GENERAL FUND  
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
For the Year Ended June 30, 2010

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 606,186	\$ 653,323	\$ (47,137)
Delinquent tax	7,419	8,395	(976)
Motor vehicle tax	91,333	93,389	(2,056)
RV tax	2,149	2,009	140
Mineral production tax			0
Federal grants			0
State aid/grants	1,474,109	1,479,647	(5,538)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
<b>Total Cash Receipts</b>	<u>2,181,196</u>	<u>2,236,763</u>	<u>(55,567)</u>
<b>EXPENDITURES</b>			
Instruction	519,471	239,562	(279,909)
Student support services	26,319	27,550	1,231
Instruction support staff	45,429	55,791	10,362
General administration	76,448	91,460	15,012
School administration	132,156	109,980	(22,176)
Operations and maintenance	478,532	401,050	(77,482)
Student transportation services	395,217	446,900	51,683
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	3,500		(3,500)
Debt service			0
Operating transfers	545,221	850,000	304,779
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>2,222,293</u>	<u>\$ 2,222,293</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(41,097)		
Unencumbered Cash, Beginning	41,364		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 267</u>		

UNIFIED SCHOOL DISTRICT NO.337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 12 - Long Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
None			\$		\$	0	\$	0	\$	\$
Leases										
School Addition	4.31-4.60%	6/21/07	5,600,000	4/1/19	5,035,000		470,000	(470,000)	4,565,000	221,649
Total Long Term Debt					\$ 5,035,000	\$ 0	\$ 470,000	\$ (470,000)	\$ 4,565,000	\$ 221,649

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2012	2013	2014	2015	2016	2017-2020	Total
Principal							
General Obligation Bonds	\$	\$	\$	\$	\$	\$	0
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	490,000	510,000	530,000	555,000	580,000	1,900,000	4,565,000
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Principal	490,000	510,000	530,000	555,000	580,000	1,900,000	4,565,000
Interest							
General Obligation Bonds							0
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	201,392	180,273	158,292	135,449	111,528	243,670	1,030,604
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Interest	201,392	180,273	158,292	135,449	111,528	243,670	1,030,604
Total Principal and Interest	\$ 691,392	\$ 690,273	\$ 688,292	\$ 690,449	\$ 691,528	\$ 2,143,670	\$ 5,595,604

# Long CPA, PA

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Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Unified School District No. 337, Mayetta, Kansas as of and for the year ended June 30, 2011, and have issued our report thereon dated July 22, 2011. In our report, our opinion was qualified due to the use of an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Unified School District No. 337's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 337's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.



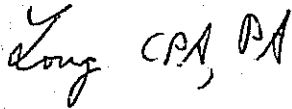
Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 337's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 22, 2011

# Long CPA, PA

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Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### Compliance

We have audited the compliance of Unified School District No. 337, Mayetta, Kansas with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Unified School District No. 337's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 337's management. Our responsibility is to express an opinion on Unified School District No. 337's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 337's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 337's compliance with those requirements.

In our opinion, Unified School District No. 337 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

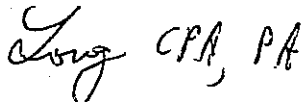
### Internal Control Over Compliance

The management of Unified School District No. 337 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 337's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 337's internal control over compliance..

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 22, 2011

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

Schedule 1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2011

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
<b>Passed through State Department of Education:</b>			
Title I	84.010	*	\$ 120,866
State Grants (Part B Education Act)	84.027	*	15,580
Early Childhood Aid	84.173	*	10,121
Tech Literacy	84.318	*	409
Title II - Teacher Quality	84.367	*	46,077
Title I - Low Income - ARRA	84.389	*	33,763
Stabilization - ARRA	84.394	*	119,154
Education Jobs Fund	84.410	*	208,639
<u>U.S. Department of Agriculture</u>			
<b>Passed through State Department of Education:</b>			
School Breakfast Program	10.553	*	55,981
National School Lunch Program	10.555	*	206,612
<u>Other Federal Assistance</u>			
<b>Direct Programs:</b>			
P.L. 382, Impact Aid	84.041	*	666,828
Title VII - Indian Education	84.060	*	61,615
<b>Total Federal Assistance</b>			<u>\$ 1,545,645</u>

\* Not available

The accompanying notes to financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the year ended June 30, 2011

A. Summary of Audit Results

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of Unified School District #337.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on a Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Unified School District #337 were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Unified School District #337 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Unified School District #337 are reported in this schedule.
6. The programs tested as major programs included:  
Department of Education  
P.L. 382, Impact Aid, CFDA No. 84.041
7. Unified School District #337 was determined to be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit  
None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit  
Department of Education  
P.L. 382, CFDA No. 84.041

No findings of noncompliance or questioned costs were noted.

The accompanying notes to financial statements are an integral part of this statement

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2011

**NOTE 1 – Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 337 Mayetta, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Statutory Basis of Accounting** – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 337 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

**Departure from Generally Accepted Accounting Principles** – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2011

**NOTE 1 – Basis of Accounting (continued)**

**Departure from Generally Accepted Account Principles (ctd.)** - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

**NOTE 2 – Pass-Through Awards**

Unified School District No. 337 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

**NOTE 3 – Major Programs**

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. The P.L. 382, Impact Aid have been determined by the independent auditor to be major programs.

**NOTE 4 – Contingencies**

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.